



August 19, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Public Service Commission of South Carolina – Administrative and
Procedural Issues
Docket No. 2005-83-A

Dear Ms. Boyd:

Dominion Energy South Carolina, Inc. (“DESC” or “Company”), pursuant to the “Notice of Virtual Forum” issued by the Public Service Commission of South Carolina (“Commission”) in the above-referenced docket, hereby submits these comments regarding the possible modification to the procedural schedules of current fuel case procedures. Although the Company has been required to file its direct testimony earlier and earlier over the years, through its comments below, the Company is satisfied with the current procedural schedule for its annual review of base fuel cost proceedings and respectfully requests that no changes to the procedural schedule are necessary; however, if the Commission wishes to provide itself with additional time after the hearing to consider the evidence and issue an order, then the Commission may wish to consider moving DESC’s hearing to late March in light of the comment letter filed by the South Carolina Office of Regulatory Staff (“ORS”) on August 17, 2020. Further, the Company, through its counsel, intends to participate in the virtual forum scheduled for August 25, 2020.

Summary of Comments

- *DESC’s annual fuel proceeding is initiated in August when the Commission issues its Notice of Hearing and Prefile Testimony Deadlines (“Notice”).*
- *After the issuance of the Notice in August, interested parties may seek to intervene in DESC’s fuel proceeding at their discretion.*

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- *DESC's annual review period is January to December, and the Company cannot file its prefiled direct testimony any sooner than February 8.*
- *Other parties of record currently have five weeks after DESC files its prefiled direct testimony to file their prefiled direct testimony; however, in its comment letter dated August 17, 2020, ORS appears to indicate that three weeks is sufficient time to prepare its prefiled direct testimony after the utility files its direct testimony, but requests a four week interval be established between direct testimony deadlines.*
- *If the Commission wishes to provide itself with additional time after the hearing to consider the evidence and issue an order, then the Commission may wish to consider moving DESC's hearing to late March in light of the comment letter filed by ORS on August 17, 2020.*
- *DESC's adjusts its fuel factors with the first billing cycles of May. To avoid customer confusion, other rate adjustments, such as DESC's demand-side management rate rider and pension costs component rider are implemented simultaneously with the first billing cycle of May.*

Brief History of DESC Fuel Proceedings – Over time the Commission has extended the interval between the deadline DESC's direct testimony and the deadline for direct testimony for other parties of record from two weeks to five weeks

The Commission has been conducting reviews of DESC's fuel purchasing practices and policies for decades, and over the course of time, the Commission has made alterations to the schedule for conducting its review of the Company's fuel costs. To illustrate this point, it is helpful to begin with DESC's annual fuel cost proceeding that occurred in 2006. In Docket No. 2006-2-E, the Commission issued its Notice of Hearing in November 2005 and required DESC to file its direct testimony on March 1, 2006. The Commission also required other parties of record to file their direct testimony two weeks later on March 15, 2006. The Commission followed this process for DESC's 2007 and 2008 fuel proceedings.

In Docket No. 2009-2-E, however, the Commission altered its testimony filing schedule by requiring that DESC file its direct testimony sooner than what it required in the 2006 – 2008 proceedings. More specifically, the Commission required DESC to file its direct testimony on February 12, 2009, but kept the Commission's historical two-week interval by requiring other parties of record to file their direct testimony on February 26, 2009. This schedule largely remained in place for Docket Nos. 2010-2-E through 2013-2-E until the South Carolina Office of Regulatory Staff ("ORS") requested a change to the schedule for the 2014 proceeding.

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In the 2014 fuel proceeding, ORS, citing concurrent work obligations in other dockets, requested that the Commission require DESC to file its direct testimony on March 3, 2014, while retaining the Commission's two-week interval by requiring ORS to file its direct testimony on March 17, 2014. The Commission granted ORS's request.

Beginning with Docket No. 2015-2-E, the Commission retained the March testimony deadlines for DESC and the other parties of record but began relaxing its historical two-week interval for other parties of record to file their direct testimony by about a week. This roughly three-week interval between direct testimony deadlines continued with Docket No. 2016-2-E and Docket No. 2017-2-E.

In Docket No. 2018-2-E, another scheduling change occurred. To begin with, the Commission issued its Notice of Hearing and Prefile Testimony Deadlines one month sooner than in prior dockets (October 2017), and in doing so, the Commission extended the interval between DESC's direct testimony and the other parties' direct testimony by another week thereby extending the interval to four weeks. During the 2018 fuel proceeding, however, certain other parties of record, sought to extend the deadline for their direct testimony even further arguing that the addition of DESC's Rate PR-2 and the calculation of avoided cost complicated the fuel proceeding. The Commission denied the request and after the 2018 proceeding concluded comments were solicited regarding the procedural schedule for DESC's 2019 fuel proceeding.

By Order No. 2018-75-H dated June 21, 2018, the hearing officer set forth a proposed procedural schedule for DESC's 2019 fuel proceeding and requested that interested persons file comments on the proposed schedule. The proposed schedule suggested a direct testimony deadline of January 8, 2019, for DESC and a suggested direct testimony deadline of March 19, 2019, for all other parties for record. In its comment letter, DESC explained why it could not file its direct testimony on January 8, 2019. In its comment letter, the Company explained that the earliest it could file its direct testimony was on February 8, 2019. A copy of DESC's comment letter is attached hereto and incorporated by reference.

After evaluating the comments received, the Commission issued its Notice of Hearing and Prefile Testimony Deadlines in August 2018 for the 2019 fuel proceeding and established February 8, 2019, as the deadline for DESC to file its direct testimony. Additionally, the Commission provided the other parties of record with nearly five weeks within which to file its direct testimony by setting its testimony deadline as March 19, 2019.

In Docket No. 2020-2-E, the Commission continued with its trend of issuing of issuing its Notice of Hearing and Prefile Testimony Deadlines in August 2019,

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requiring DESC to file its direct testimony on February 7, 2020, and allowing the other parties of record five weeks within which to file their direct testimony.

For Docket No. 2021-2-E, the Commission followed this schedule again by issuing its Notice of Hearing and Prefile Testimony Deadlines in August 2020, requiring DESC to file its direct testimony on February 9, 2021, followed by the other parties of record filing their testimony five weeks later on March 16, 2021.

Below is a table depicting the changes that have occurred over time regarding DESC's annual fuel proceeding.

Docket Number	Date of Notice of Hearing	Interval between direct testimony deadlines	Hearing Date
2006-2-E	November	2 weeks	Mar. 29, 2006
2007-2-E	November	2 weeks	Mar. 29, 2007
2008-2-E	November	2 weeks	Mar. 27, 2008
2009-2-E	November	2 weeks	Mar. 26, 2009
2010-2-E	November	2 weeks	Mar. 25, 2010
2011-2-E	October	2 weeks	Mar. 24, 2011
2012-2-E	October	2 weeks	Mar. 22, 2012
2013-2-E	October	2 weeks	Mar. 21, 2013
2014-2-E	October	2 weeks	Apr. 2, 2014
2015-2-E	October	3 weeks	Apr. 9, 2015
2016-2-E	October	3 weeks	Apr. 7, 2016
2017-2-E	October	3 weeks	Apr. 6, 2017
2018-2-E	October	5 weeks	Apr. 10-11, 2018
2019-2-E	August	5 weeks	Apr. 3, 2019
2020-2-E	August	5 weeks	Apr. 9, 2020
2021-2-E	August	5 weeks	Apr. 8, 2021

In summary, over the passage of time, the Commission has extended the two-week interval between direct testimony deadlines to five weeks. In its comment letter dated August 17, 2020, ORS appears to indicate that three weeks is sufficient time to prepare its direct testimony after the utility files its direct testimony but would prefer that the interval be extended to four weeks. In light of ORS's comments, it appears that the Commission may have an opportunity to move DESC's hearing to late March which would allow the Commission at least one additional week to consider the evidence and issue an order.

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**Interested Persons Have Adequate Time to Conduct
Discovery and Prepare Their Case-In-Chief**

As stated above, the Commission has issued its Notice of Hearing and Prefile Testimony Deadlines in August. DESC is unaware of anything that prevents an interested party from requesting intervenor status after the Commission issues its Notice of Hearing and beginning to conduct discovery and prepare its case-in-chief. Indeed, an intervenor could prepare its case-in-chief year-round because DESC files monthly reports with the Commission and ORS regarding its fuel costs and plant operations, and those reports are publicly available. That some intervenors may wait until the last minute to send discovery and then complain about not having enough time to prepare their case is an emergency of their own making.

**The Timing of the Implementation of New Rates
Should Seek to Avoid Customer Confusion**

Another important issue that must be addressed is that fact that other DESC rates are reviewed and adjusted contemporaneously with DESC's annual fuel proceeding. More specifically, the Commission conducts an annual review of the Company's demand-side management programs and reviews any proposals to adjust DESC's demand-side management rate rider. Additionally, and when necessary DESC adjusts the pension cost component of its retail electric rates. Any changes to the Company's demand-side management rate rider and the pension cost component are effective with the first billing cycle of May. If the Commission were to stagger these rate adjustments that typically occur in the first billing cycle of May, it would almost certainly lead to inefficient rate administration and increased costs and customer confusion.

Conclusion

Thank you for providing the Company with the opportunity to submit these comments, and we look forward to discussing these matters with the Commission at the virtual forum on August 25, 2020.

If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

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The Honorable Jocelyn Boyd
August 19, 2020
Page 6 of 6

KCB/kms
Enclosure

cc: Jeffrey M. Nelson, Esquire
Andrew M. Batemen, Esquire
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July 12, 2018

VIA ELECTRONIC FILING

Mr. F. David Butler, Esquire
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

RE: Annual Review of Base Rates for Fuel Costs for South Carolina Electric
& Gas Company
Docket No. 2019-2-E

Dear Mr. Butler:

Thank you for the opportunity to comment on the proposed schedule set forth in Order No. 2018-75-H in the above-referenced docket. South Carolina Electric & Gas Company ("SCE&G" or "Company") appreciates the Commission's decision to more closely coordinate the deadlines in SCE&G's Integrated Resource Plan ("IRP") and fuel proceeding dockets and to allow the parties more time to conduct a thorough and robust discovery process. However, SCE&G does not believe the January 8, 2019 deadline for filing both the Company's 2019 IRP and the Company's annual fuel proceeding direct testimony is feasible. The Company addresses its concerns with the proposed deadline for each of the filings in turn.

The IRP Filing Deadline

With respect to the Company's 2019 IRP, SCE&G does not believe that the January 8 filing date is workable or achievable.

First, SCE&G has begun its annual budgeting process which includes the forecast of the number of customers and their kWh consumption. The process of projecting the Company's load profiles and peak demand forecasts will follow the budget process; however, these updated peak demand forecasts will not be available until late September at the earliest. The Company then must update its analysis of the impact of the additional solar capacity that has come online as well as revisit its reserve margin policy. It will be late October or November before the Company can begin running scenarios to develop the resource plan. This work will take at least a

month and its conclusions must be reviewed internally by management and affected departments before being reduced to writing in the IRP document itself.

Second, many of the same staff that work on the IRP development also calculate the Company's avoided costs, develop fuel cost runs and write testimony for the fuel hearing. Even with the schedule as it exists today (i.e., filing the IRP by February 28), resources are stretched early in the year to ensure a timely filing. Additionally, some of this staff will be involved in the nuclear hearing scheduled for November 1, 2018, under Docket No. 2017-370-E. If there is considerable discovery, the 2019 IRP development may be delayed.

Third, the IRP takes several months to prepare and requires coordination among approximately 30 different individuals in the Company. Because of its importance, the IRP, once written, must be reviewed internally. This is a process that usually requires three additional weeks after development and drafting are complete.

With these concerns in mind, the earliest that SCE&G could file its 2019 IRP is February 8, 2019. And, to file the IRP at that time, SCE&G would necessarily have to scale back its 2019 IRP to include only the specific requirements of S.C. Code Ann. § 58-37-40 and Commission Order Nos. 98-502 and 2018-429.

SCE&G's Annual Fuel Proceeding Direct Testimony Filing Deadline

SCE&G likewise does not believe that the proposed January 8, 2019 deadline for the filing of the Company's direct testimony in its annual fuel proceeding is practicable.

SCE&G notes that the current Review Period for SCE&G's annual fuel proceeding begins on January 1 and ends on December 31. As such, it is impractical to require the submittal of SCE&G's direct testimony in the fuel proceeding on January 8, just eight (8) days after the close of the Review Period. It would be impossible for any testimony filed by SCE&G on January 8 to include or be based on actual December data because actual fuel cost data for December are not finalized until mid-January and demand allocations from the prior year (which are used to allocate the Variable Environmental & Avoided Capacity component, the DER Avoided Cost component, and the DER Incremental Cost Component in the annual fuel proceeding) are not available until mid to late January.

Second, SCE&G does not have unlimited staff and resources, and, as stated above, many of the same staff that calculate the Company's avoided costs, develop fuel cost runs and write testimony for the annual fuel proceeding are also responsible for the IRP development. Additionally, other personnel responsible for preparing the fuel testimony and exhibits are also responsible for preparing the Company's annual

Mr. F. David Butler, Esquire

July 12, 2018

Page 3

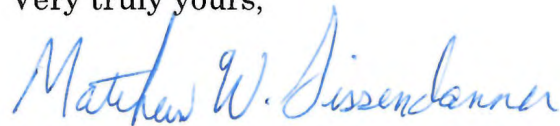
update on Demand Side Management ("DSM") programs and petition to update the DSM rate rider, which is due to be filed at the end of January each year, in addition to responding to the South Carolina Office of Regulatory Staff's audit information requests related to the annual fuel proceeding, which are typically served in December.

With these concerns in mind, the earliest date by which SCE&G could reasonably be prepared to submit direct testimony in the annual fuel proceeding would be February 8, 2019. This date is two weeks earlier than the deadline in this year's fuel proceeding and would allow more time for discovery by the parties in the fuel proceeding. Moreover, the filing of the IRP at the same time as the fuel testimony rather than 5 days after the filing of the fuel testimony (as occurred in 2018) should also serve to alleviate many of the concerns of the other parties.

Finally, whatever the schedule, it is important that the annual fuel proceeding rate adjustments continue to take place at the same time as the Company's DSM Rate Rider adjustments and Pension Rider adjustments (if necessary). If the Commission were to stagger these rate adjustments that typically occur in the first billing cycle of May, it would almost certainly lead to inefficient rate administration and increased costs and customer confusion.

Thank you again for the opportunity to comment. If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

Enclosures

cc: Shannon Bowyer Hudson, Esquire
(via electronic mail and U.S. First Class Mail)